

635/988-89

Foreign Labor Trends

Ghana



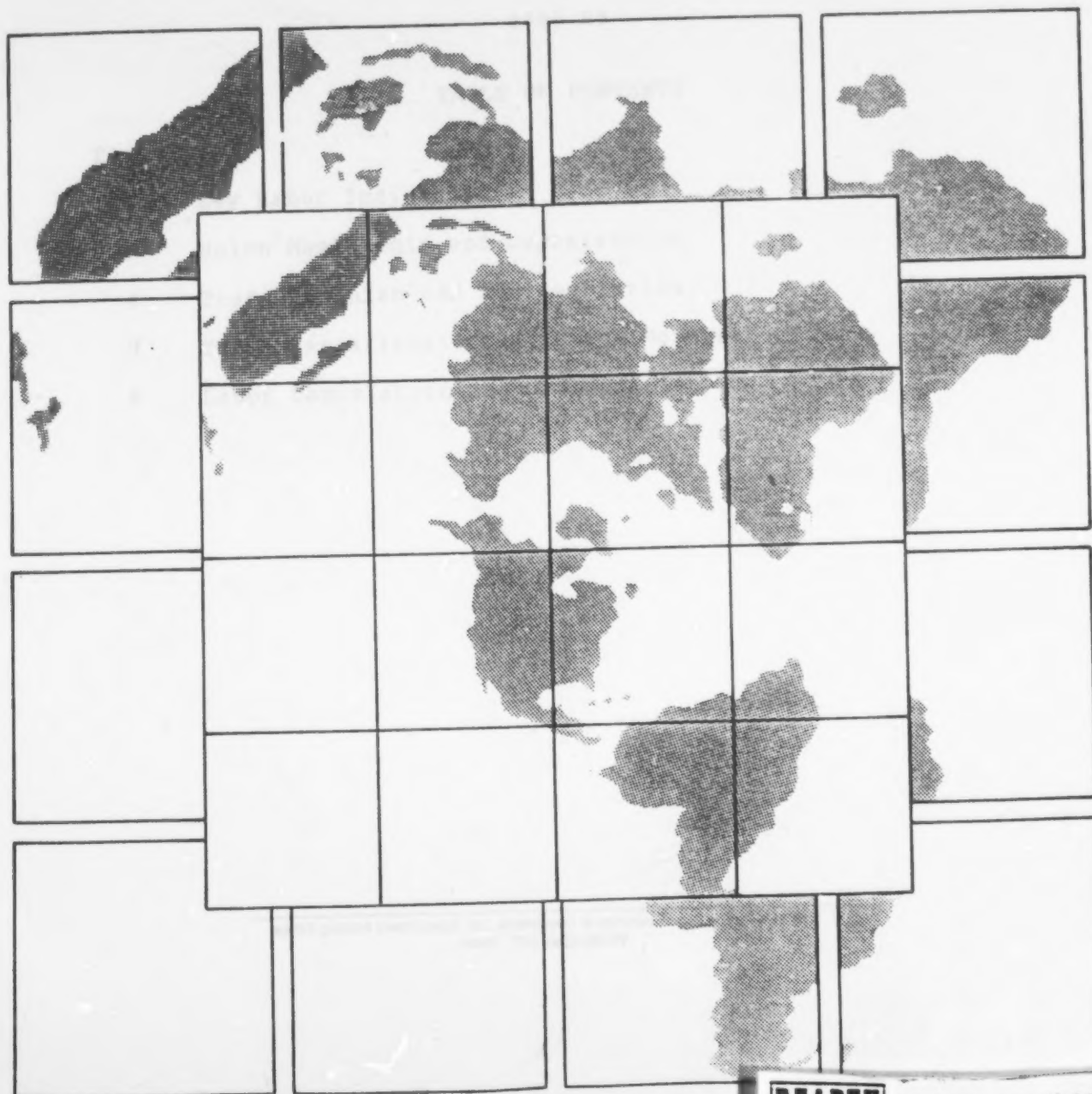
Released by
U.S. Department of Labor
Bureau of International Labor Affairs

1988 - 1989

FLT 89-26
Frequency: Annual

Prepared by
American Embassy
ACCRA

Supersedes: 88-22



L 29- 16:

READEX
FICHE

best copy available

1950-1951
1952-1953
1954-1955
1956-1957
1958-1959

U.S. Department of Labor
Bureau of International Labor Affairs
Washington, D.C.
20402



For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

FOREIGN LABOR TRENDS REPORT

GHANA

1988-89

TABLE OF CONTENTS

Page

- 1 Key Labor Indicators**
- 2 Union Membership and Organization**
- 4 Trade Unionism and the Revolution**
- 7 The International Trade Union Movement**
- 8 Labor Legislation and Organization**

LABOR TRENDS IN GHANA

1988-89

KEY LABOR INDICATORS

Per Capita GDP, Current Prices: (1987) (E)	\$350
Per Capita GDP, Constant Prices: (1984) (E)	\$257
Population, total: millions	14.4
Major Ethnic Groups: Akan (Ashanti, Fanti, etc.) pct.	44
Mole-Dagbane	16
Ewe	13
Ga-Adangbe	8
Growth Rate: (pct.)	2.9
Birth Rate: per 1000 (crude)	47
Life Expectancy at Birth: (years) men	50
women	54
Adult Literacy Rate: (pct.)	48
Labor Force: million	5.6
Employment, Civilian: Million	4.6
---, Pct. in Industry:	18.7
---,---, In Agriculture:	54.7
---,---, In Services:	22.9
Unemployment Rate: (pct.) (1983 est.)	11
Work Time Lost, Ind. Disputes: man-days (1987)	22,300
Minimum Wage Rates: cedis per work day	112.5
---, US\$ equivalent, current prices	0.50
Average Hours of Work Per Week:	40
Unionization of Labor: (December 1987)(000)	733
Change in Cons. Prices, Preceding Year:(pct.)	25
Trade with U.S., Exports: \$million (1987)	260
Imports: \$million (1987)	115

UNION MEMBERSHIP AND ORGANIZATION

Organized labor in Ghana is represented by the independent TUC (Trades Union Congress), which was established under the 1958 Ghana Industrial Relations Act as a consolidation of the many colonial-era labor unions which flourished in the Gold Coast. The TUC was originally constituted as a strong central roughly analogous to Histadrut in Israel; under pressure from the ILO (International Labor Organization), the 1958 Act was amended in 1965 to convert the TUC's branches into separate, autonomous unions affiliated with the central. Today, the TUC has 17 affiliated unions, whose general secretaries and national chairmen are represented on the Executive Board of the TUC. The Executive Board also includes as ex-officio members the heads of eight departments--Administration, International, Economic and Research, Education, Industrial Relations, Finance and Accounts, Organization, and Political--and regional secretaries from each of Ghana's 10 regions.

The Chairman and the Secretary-General of the TUC are elected at a quadrennial Congress, the 3rd (and most recent) of which was held on March 16-18, 1988, at the University of Cape Coast, Central Region. At that Congress, A.K. Yankey was reelected as Secretary-General of the TUC. Yankey, a former General Secretary of GTPCWU (General Transport, Petroleum, and Chemical Workers Union), has visited the United States on several occasions at the invitation of the AFL-CIO. The 3rd Congress also elected Daniel K.Y. Vormawor as Chairman of the Executive Board; Vormawor is concurrently serving as National President of TEWU (Teachers and Educational Workers Union). The 3rd Congress also took up consideration of the Report of the TUC activities for the 1984-87 period and adopted a series of resolutions on national and labor-related issues.

In early 1988 prior to the 3rd TUC Congress, the TUC's affiliated unions held their own national congresses at which their leadership was elected. These unions were represented at the national TUC Congress on a proportional basis, the number of delegates being determined by membership size.

Total membership of the 17 affiliated unions was reported at 732,818 at the March 1988 Congress. There has been little growth in the size of the TUC or its affiliated unions in recent years, in part because of the state of the national economy. A national check-off system has been established in Ghana under which one percent of union members' salaries is deducted for union dues. At the 3rd Congress it was decided that of this amount, 30 percent would go to the TUC central (up 5 percent), 50 percent to the national union (down 5 percent),

and the remaining 20 percent to the union local. Headquarters of the TUC and its affiliated unions is at the Hall of Trade Unions in downtown Accra, built in 1960 during the Nkrumah era. The TUC is prohibited from organizing those individuals considered part of management as well as the civil service.

Ghana's national unions are identified by acronyms to reduce possible jurisdictional disputes. The affiliated unions of the TUC, estimated membership figures, and leadership, are as follows (with unofficial names in parentheses):

- PUWU (Public Utility Workers Union) (20,000)
C. A. Agyei, General Secretary
- TEWU (Teachers and Educational Workers Union) (40,000)
C. K. Ahiable, General Secretary
- LGWU (Local Government Workers Union) (35,000)
S. K. Owusu, General Secretary
- PSWU (Public Service Workers Union) (105,000)
K. Opare-Ababio, General Secretary
- ICU (Industrial and Commercial Workers Union) (130,000)
L. G. K. Ocloo, General Secretary
- GAWU (General Agricultural Workers Union) (101,000)
H. Danzerl, General Secretary
- MDU (Maritime and Dock Workers Union) (31,000)
Jeff Eduafo, General Secretary
- CBWU (Construction and Building Workers Union) (30,000)
Foli Amekor, Acting General Secretary
- HSWU (Health Services Workers Union) (32,000)
John G. Akoto, General Secretary
- TWU (Timber and Wood-Workers Union) (20,000)
George L. Manneh, General Secretary
- GTPCWU (General Transport, Petroleum and Chemical Workers Union) (29,000)
N. K. Amoah, General Secretary
- GPRTU (Ghana Private Road Transport Union) (93,000)
A. K. Otoo, General Secretary
- PTWU (Post and Telecommunication Workers Union) (7,000)
D. Odum-Ewuakye, General Secretary

- NUS (National Union of Seamen) (5,000)
Charles Sebuabey, General Secretary
- REU (Railway Engine-Workers Union) (900)
Stephen Paa-Plange, General Secretary
- RWU (Railway and Port Workers Union) (9,000)
J. N. Anquandah, General Secretary
- GMWU (Ghana Mine Workers Union) (22,000)
Robert Cole, General Secretary

In addition to the above, there are four associations in Ghana which perform trade union functions but are not affiliated with the TUC. These associations are:

- Ghana National Association of Teachers (GNAT)
- Civil Servant Association
- Ghana Registered Nurses' Association
- Ghana Merchant Navy Officers' Association

TRADE UNIONISM AND THE REVOLUTION

Ghana's current revolutionary government, the Provisional National Defense Council (PNDC), came to power following a successful coup on December 31, 1981. Shortly thereafter, elected TUC officials were barred from headquarters, and from May 1982 to January 1984 the TUC was controlled by an unelected Interim Management Committee made up largely of radical supporters of the revolution. In December 1983, an Extraordinary Congress of the TUC was convened at the University of Science and Technology in Kumasi, during which new elections were held and the Interim Committee voted out. Many of the pre-takeover leaders of Ghana's trade union movement regained control of the TUC with the overwhelming support of the rank and file. A revised constitution and bylaws were also adopted at the 1983 Congress. Since their reemergence, these experienced union leaders have sought to define for the TUC a role within a revolutionary society ruled by decree. The TUC is independent of government subventions and has publicly criticized the current government at times for its failure to consult adequately the trade union movement.

The TUC operates against the backdrop of an Economic Recovery Program (ERP), introduced in 1983, to which the current government is fully committed. The ERP is a rigorous

austerity program designed to reverse Ghana's quarter-century economic decline. The program is considered a model of its kind by the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF); in the last 5 years Ghana's gross domestic product (GDP) has grown by over five percent per annum. Under the ERP, Ghana has attempted to introduce market mechanisms into the economic system and has directed large amounts of donor funds into rehabilitating the dilapidated infrastructure. The benefits of these efforts have been quite visible, but critics have charged that the side effects have included a declining standard of living for the average Ghanaian. One contributing factor, for example, was the introduction 2 years ago of weekly auctions of foreign currency, in which the official exchange rate of the cedi is set; since September 1986 the cedi has been effectively devalued from 90 cedis to 230 cedis to the U.S. dollar as of January 1989.

To meet some of the criticisms and cushion the impact of adjustment under the ERP, in 1987 the government introduced a program called PAMSCAD (Program to Mitigate the Social Costs of Adjustment). The ERP calls for some 45,000 civil servants to be "redeployed" in 1987-89 to reduce the bloated government bureaucracy, and PAMSCAD is designed in part to cushion the impact by retraining these workers for productive employment, largely in the private sector. However, no one--government, TUC, or private employers--seems confident that new jobs can be found for all those workers likely to be "redeployed."

The TUC's main concern under the ERP is to protect the declining living standard of the Ghanaian worker, the real value of whose wages and benefits have not kept pace with changes in the exchange rate or inflation, estimated at 25 percent in 1988. The TUC has argued that the government's benchmark daily minimum wage (which from 90 cedis per workday in January 1986 was increased 25 percent in January 1987 to 112.5 cedis, or \$0.50 per workday at current prices) is totally inadequate, even for families where both adults are working. In September 1987, the TUC produced a study to show that in the 4-year period 1984-87, wages eroded in comparison to Ghana's consumer price index by a total of 81.1 percent, or over 20 percent annually. Using 1984 constant prices, the study reported the real value of the 112.5 cedis minimum wage was 56 cedis, or 50 percent of the already low prevailing minimum wage. To correct this decline, the TUC argued that minimum wages should be set at 203 cedis for 1988. It said that even then this figure did not meet its calculations of a "living wage" for an unskilled worker, whose basic minimum requirements were 1043 cedis per day. The TUC formally presented its

arguments to Government on December 17, 1987, but the Tripartite Committee (discussed below) was unable to reach agreement on a new minimum wage during 1988.

The Government's response has been cautious to demands for an increased minimum wage. Both Government and the TUC are aware that a number of firms in Ghana, particularly the many insolvent SOE's (State-Owned Enterprises), are simply unable to pay increased wages, and a sudden jump would force them into discontinuing operations. In recent months, the Government has also argued forcefully that wage increases should be tied to increases in productivity. Rather than raise wage scales, it would prefer to see increased benefits, e.g., increased subsidies to canteens where workers eat their meals or for transportation to and from work. Substantial wage increases would also raise the cost of "redeployment," since workers receive generous retirement benefits under which they are granted the equivalent of one month's salary for each year worked.

The 1989 budget message for Ghana, given January 14 by Finance Secretary Kwesi Botchwey, contained a number of passages devoted to wages and incomes policy which would affect workers. Botchwey explicitly expressed Government support for higher wages, but said the PNDC from now on would pay increasing attention to productivity gains made by various groups such as farmers, workers, and civil service. This would change past practice when wage increases had largely been pegged to inflation levels. Details and modalities to implement such a policy would be worked out by the Tripartite Committee, he said, which was also authorized to begin negotiation on a new minimum wage. Botchwey also announced that personal tax rates would be lowered in 1989 for individuals in all tax categories, lost revenue from this to be made up by increased efficiency in tax collection. The TUC has issued no official reaction to the budget message as of this writing.

The December 1981 revolution brought about changes in the atmosphere in which the TUC operates, but unions in Ghana are still free to engage in collective bargaining with both the private sector and SOE's. There have been indications in the past that the Government used brief detentions and threats against union leaders to force agreement on issues. However, at present the only TUC official under detention is the head of the Political Department, Kwesi Adu-Amankwah, who was picked up in May 1987 for alleged "seditious activities" unrelated to his labor responsibilities.

THE INTERNATIONAL TRADE UNION MOVEMENT

Consistent with the OATUU (Organization of African Trade Union Unity) guidelines, the Ghana TUC is affiliated only with the OATUU itself, the ILO, and the OTUWA (Organization of Trade Unions of West Africa). OTUWA was founded for trade unions of member states in ECOWAS (Economic Community of West Africa States), and a Ghanaian holds the position of Deputy Secretary-General for Economic and Financial Affairs in that organization. Ghana is also host country for the headquarters of the OATUU; since the May 1987 advent of the new OATUU leadership, including Secretary General Hassan Sunmonu (of Nigeria), the TUC has maintained correct relations with the OATUU.

Although the TUC is not a member of other major international labor organizations, it maintains friendly relations with many of them, particularly the ICFTU (International Confederation of Free Trade Unions), the WFTU (World Federation of Trade Unions), and the CTUC (Commonwealth Trade Union Council). It often sends observers to attend major conferences of these organizations and receives assistance from them. In addition, individual unions within the TUC do belong to international labor organizations in their respective fields. For example, the GPRTU is a member of the ITF (International Transport Workers' Union), and the GMWU belongs to the MIF (Miners' International Federation). All 17 TUC national unions are said to maintain such affiliations.

The U.S. labor movement has traditionally maintained good relations with the TUC. The AALC (African-American Labor Center) based an office with an American representative in Accra until January 1983, at a time when the Interim Management Committee controlled the TUC. Following a 1984 PNDC decision to refuse the AALC permission to base a representative locally, the AALC has covered Ghana from a regional office in Abidjan. Although communications have perhaps inevitably been less frequent since that time, the AALC still maintains a solid working relationship with the TUC. In recent years the AALC has provided the TUC with five vehicles plus spare parts, supplies and spare parts for a printing machine, funds to renovate the Ghana Labor College, and other assistance for seminars and labor training programs. During the period of this report, the AALC conducted the visits of two separate AFL-CIO delegations to Accra.

TUC policy is to maintain brotherly relations with all friendly national trade union organizations including those of the Soviet Union and the East bloc. In recent years, the TUC has signed protocols of friendship and cooperation with the

Soviet AUCCTU (All-Union Central Council of Trade Unions) and the Hungarian SZOT (Central Council of Trade Unions). It has also held exchanges with the national labor organizations of China, Bulgaria, the German Democratic Republic, Czechoslovakia, Yugoslavia, and Albania. The Soviet connection has been particularly active; in addition to a large number of "scholarships" provided by the Soviet government for trade union courses in the Soviet Union, the AUCCTU in recent years has provided the TUC with two deep freezers, two refrigerators, two typewriters, two 16-mm cinema projectors, two cameras, a slide projector, and 200 woolen blankets. In 1988, the AUCCTU donated a small vehicle to the TUC.

LABOR LEGISLATION AND ORGANIZATION

Trade union activities in Ghana are governed by the 1958 Industrial Relations Act as amended in 1965 and 1972. In the mid-1980's, the government of Ghana took steps toward consolidating this and other labor legislation into a single, "modernized" act. However, differences between government and labor on several key issues have left this effort at a stalemate. Agreement was reached in some areas--notably to establish labor tribunals which would arbitrate industrial disputes which management and labor had certified as deadlocked. This would have replaced the current system under which government seeks first to conciliate, then arbitrate, industrial disputes. Government's position, however, has been that these and other measures must be part of a new, consolidated Industrial Relations Act, and cannot be adopted piecemeal. The TUC is on record as willing to consider any changes in the existing legislation provided the PNDC discusses and negotiates them in advance.

The Ministry of Mobilization and Social Welfare is the government body charged with managing labor affairs in Ghana. It is headed by a PNDC Secretary, Huudu Yahaya, who was appointed in April 1988. This Ministry performs functions similar to those of other labor ministries in Africa. Formerly known as the Ministry of Labor and Social Welfare, its name was changed in 1987 to the Ministry of Mobilization and Productivity, but during 1988 "Productivity" quietly reverted back to "Social Welfare," which more accurately reflects the work of the Ministry. "Labor" was changed to "Mobilization" in part to emphasize that the Ministry's duties are directed toward the approximately 5.6 million members of Ghana's labor force, and not just toward the TUC, whose members constitute only a small fraction of this total.

In addition to this Ministry, there are three other important bodies involved with labor matters in Ghana. They are:

- National Advisory Council on Labor. This body deals with preparing labor legislation, including the consolidated Industrial Relations Act discussed above. It is composed of representatives from government, the TUC, and employers. It has been relatively quiescent in recent years. Secretary Yahaya chairs the council.
- Tripartite Committee. This body meets to negotiate such "day-to-day" issues as wages and working conditions which would apply throughout Ghana. Patterned on the ILO, it includes a certain number of representatives from government as well as 10 representatives each from labor (TUC) and employers (Ghana Employers' Association). It is chaired by Secretary Yahaya, and includes the Secretaries of Finance and Economic Planning (Kwesi Botchwey), Trade and Tourism (Kofi Djin), and Industries, Science and Technology (Francis Acquah). In 1988 this forum proved unsuccessful in seeking to establish a new minimum wage in Ghana, and ultimately tabled this issue pending the completion of a cost-of-living survey by a separate committee to determine a "daily living wage." The Tripartite Committee is authorized to resume work in early 1989 toward establishing a new, higher minimum wage rate.
- Government-TUC Standing Committee. This high-level body is composed of three PNDC members--Kojo Tsikata (Chairman), P.V. Obeng, and Ebo Tawiah--and leaders of the TUC. It meets irregularly but not less than once every 4 months to discuss policy matters affecting organized labor.

Superintendent of Documents Subscriptions Order Form

Order Processing Code
* 6314

Charge your order.
It's easy!



☐ **YES,** please send me the following indicated subscriptions:

_____ subscriptions of FOREIGN LABOR TRENDS, FLT, for \$53.00 each domestic subscription per year; \$66.25 each foreign subscription per year.

1. The total cost of my order is \$_____. All prices include regular domestic postage and handling and are subject to change. International customers please add 25%.

Please Type or Print

2. _____
(Company or personal name)

(Additional address/attention line)

(Street address)

(City, State, ZIP Code)
(_____) _____
(Daytime phone including area code)

3. Please choose method of payment:

- ☐ Check payable to the Superintendent of Documents
☐ GPO Deposit Account - ☐
☐ VISA, CHOICE or MasterCard Account

(Credit card expiration date)

Thank you for your order!

(Signature)

4. Mail To: Superintendent of Documents, Government Printing Office, Washington, D.C. 20402-9371